

## Message Text

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PAGE 01 BRUSSE 10648 011559Z  
ACTION EB-08

INFO OCT-01 EUR-12 IO-14 ISO-00 AGRE-00 CEA-01 CIAE-00  
COME-00 DODE-00 FRB-01 H-02 INR-10 INT-05 L-03  
LAB-04 NSAE-00 NSC-05 PA-02 CTME-00 AID-05 SS-15  
STR-07 ITC-01 TRSE-00 ICA-20 SP-02 SOE-02 OMB-01  
DOE-15 AF-10 ARA-14 EA-12 NEA-11 /183 W  
-----037694 020006Z /63

R 011333Z JUN 78  
FM AMEMBASSY BRUSSELS  
TO SECSTATE WASHDC 6968  
INFO ALL EC CAPITALS  
USMISSION GENEVA

UNCLAS BRUSSELS 10648

USEEC

PASS AGRICULTURE ELECTRONICALLY  
PARIS ALSO FOR USOECD  
GENEVA ALSO FOR USMTN

E.O. 11652: N/A  
TAGS: EAGR, EEC  
SUBJ: EC IMPORT RESTRICTIONS ON PRESERVED MUSHROOMS

REF: (A) 77 EC BRUSSELS 180; (B) 75 EC-A 320;  
(C) 75 EC BRUSSELS 8217; (D) 74 EC BRUSSELS 6319

1. COMMISSION REGULATION NO. 1102/78 SUSPENDED THE  
ISSUANCE OF IMPORT LICENSES FOR PRESERVED MUSHROOMS  
(CXT NO. 20.02A), EFFECTIVE 5/26/78. THE SUSPENSION  
ALSO APPLIES TO PENDING APPLICATIONS FOR LICENSES. THIS  
ACTION WAS TAKEN UNDER ARTICLE 14(2) OF THE BASIC REGU-  
LATION ESTABLISHING A CAP FOR PROCESSED FRUITS AND  
VEGETABLES (COMMISSION REGULATION NO. 516/77), WHICH  
PERMITS THE COMMISSION TO TAKE PROTECTIVE MEASURES WHERE  
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IMPORTS THREATEN THE COMMUNITY MARKET WITH SERIOUS  
DISTURBANCES.

2. THE SUSPENSION OF THE ISSUANCE OF IMPORT LICENSES  
WILL NOT APPLY TO MUSHROOMS ORIGINATING IN THIRD  
COUNTRIES WHICH ENSURE THAT THEIR EXPORTS TO THE EC WILL  
NOT EXCEED A CERTAIN LEVEL. REGULATION NO. 1102/78

INDICATES THAT THE PEOPLES REPUBLIC OF CHINA (PRC) WILL BENEFIT FROM THIS DEROGATION. COMMISSION OFFICIALS SAY THAT THIS DEROGATION IS BASED ON A STATEMENT OF COMMERCIAL INTENTIONS BY THE PRC.

3. IN SUPPORT OF THEIR DECISION TO TAKE PROTECTIVE MEASURES, THE COMMISSION CITES THE FOLLOWING DATA IN THE PREAMBLE TO REGULATION NO. 1102/78: IMPORT LICENSES ISSUED FROM JANUARY 1 THROUGH MAY 23, 1978 COVER A TOTAL QUANTITY OF 40,914 TONS; THIS QUANTITY HAS EITHER ALREADY BEEN IMPORTED OR WILL BE IMPORTED BY THE END OF JULY. BY WAY OF COMPARISON, ONLY 32,900 TONS OF PRESERVED MUSHROOMS WERE IMPORTED DURING THE WHOLE OF 1977. OFFER PRICES FOR A LARGE QUANTITY OF THESE IMPORTS HAVE BEEN 20 TO 30 PER CENT LESS THAN THE COST PRICE IN THE COMMUNITY INDUSTRY. MOREOVER, LARGELY AS A RESULT OF THESE IMPORTS, EC STOCKS OF PRESERVED MUSHROOMS ARE 40 TO 50 PER CENT HIGHER THAN IN 1977.

4. COMMISSION OFFICIALS SAY THAT THE BULK OF EC IMPORTS COME FROM THREE MAJOR SUPPLIERS - TAIWAN, SOUTH KOREA AND THE PRC. THE SURGE IN IMPORTS IS ATTRIBUTED MAINLY TO SOUTH KOREA, WHOSE EXPORTS HAVE JUMPED FROM ABOUT 3,000 TO ABOUT 9,000 TONS. OVER 95 PER CENT OF EC IMPORTS OF PRESERVED MUSHROOMS GO TO GERMANY. COMMISSION OFFICIALS SAY THAT THE GERMAN GOVERNMENT TRIED TO

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CONVINCE GERMAN IMPORTERS TO SLOW UP THE LEVELS OF IMPORTS THIS MONTH, BUT WITHOUT SUCCESS.

5. THE EC MAINTAINED A SYSTEM OF RESTRICTIVE LICENSING FOR IMPORTS OF PRESERVED MUSHROOMS FROM 1974 TO 1976 (REF A). THIS SYSTEM WAS ABOLISHED ON JANUARY 1, 1977 WHEN PRESERVED MUSHROOMS WERE PLACED UNDER THE IMPORT LICENSING SYSTEM APPLIED TO PROCESSED FRUITS AND VEGETABLES (REF B). WASHINGTON WILL RECALL THAT THE MISSION EXPRESSED U.S. CONCERN WITH THE RESTRICTIVE LICENSING SYSTEM PREVIOUSLY IN EFFECT TO COMMISSION OFFICIALS ON TWO OCCASIONS (REF C AND D), PROTESTING FIRST THE ESTABLISHMENT AND LATER THE TIGHTENING OF THESE RESTRICTIONS. HINTON

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NNN



## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** IMPORTS, MUSHROOMS, FOOD PRESERVATION, TRADE CONTROLS  
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**Copy:** SINGLE  
**Draft Date:** 01 jun 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Executive Order:** N/A  
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**Reference:** 77 EC BRUSSELS 180, 75 EC BRUSSELS 8217, 74 EC BRUSSELS 6319  
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**Review Event:**  
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**Review Markings:**  
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